

Adjournment Debate

Having said that, I will get to the point of my question. It is obvious that the guaranteed loans program for small businesses is working, and working well. But it is also obvious from what I have said, that a great many small businesses are being shut out of the program, for one reason or another, and I would like to see something done to ensure that qualified and deserving businessmen and women in the smaller communities will have access to these low-interest loans.

I consider it a hopeful sign that the minister said he would take my question as notice, and I would suggest that it should not be too difficult to make some adjustment to the legislation that would allow businesses in rural communities to take advantage of this program.

[Translation]

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, under the Small Businesses Loans Act, the government guarantees against any loss all loans made to small businesses through chartered banks and other lenders named by the Minister of Finance (Mr. Macdonald) in view of helping to finance a large array of improvement projects. The maximum unpaid balance should not exceed \$50,000 and the current maximum interest rate allowed is 8 $\frac{3}{4}$ per cent a year.

In 1974, credit operations in terms of the plan were in the vicinity of \$35 million, that is the highest amount ever registered in any one year since the setting up of the program in 1961. During the first nine months of 1975, the number of loans approved exceeded by 42 per cent those for the same period in 1974 and by almost 95 per cent, as far as dollar value is concerned. Those figures indicate that the chartered banks continue to cooperate by granting loans to small businesses within the framework of the program. About 20 per cent of the loans which were granted were as in the past granted to Ontario businessmen.

The policy governing loans varies, of course, from one bank to another and, although all banks still participate in the system, those that feature their own plan particularly for small businesses tend to grant fewer loans under the Small Businesses Loans Act.

In such cases, the borrower has an alternative that may be to his advantage, for the categories of loans that are not eligible under the terms of the federal system—for example, working capital—usually are under the terms of those bank plans. It is to be expected that, when a lender considers that a business is sufficiently solvent, he may offer direct financing at commercial loan interest rates rather than depend on the government guarantee under the Small Businesses Loans Act. Let me add that most of the special bank plans offer an interest rate somewhat lower than the usual rate for commercial loans.

To summarize, the figures show that the loans granted under this system set a record in 1975 and that Ontario still get its "normal" share. It seems that the figures I just mentioned do not justify the concern of the hon. member for Victoria-Haliburton (Mr. Scott) about the negative effect of the interest rate applicable in that case on loans and that, therefore, it does not seem to warrant changes in the regulations concerning that credit facility.

[Mr. Scott.]

[English]

LABOUR CONDITIONS—STRIKE OF PULP AND PAPER WORKERS—REQUEST FOR REPORT ON NEGOTIATIONS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, on a couple of occasions I have put questions to the Minister of Labour (Mr. Munro) concerning the important and prolonged national strike in the paper industry of this country. I asked the minister what he has done or intends to do to bring the two sides together. We, of the New Democratic Party, have been appalled at the government's inaction in settling this national strike, especially since a good many of the 25,400 members of the Canadian Paper Workers' Union on strike have been on strike since mid-July of this year.

The paper companies have, on many occasions, refused to sit at the bargaining table. When they have sat at the table they have presented ridiculous wage offers to the union. It is evident that pulp and paper companies bargained in bad faith, refused to negotiate, and now hide behind the federal anti-inflation wage guidelines so conveniently set up by the Liberal government.

The pulp and paper industry in Canada is a cartel; that is to say, a few companies control land and timber rights and leave no room for new companies to enter the field and promote competition. Indeed I would suggest that the companies in their pricing and labour practices should be investigated under the anti-combines act.

● (2210)

We have seen collusion on the part of the companies in the past. They have kept the price of newsprint and paper artificially high. They have deliberately worked their mills seven days a week to build up newsprint inventory in anticipation of a strike, not really being serious about bargaining in good faith.

The pulp and paper industry is not a poor industry. It can afford to make decent wage offers, which it has refused to do to this day.

In the past two years we have seen unprecedented profitability. In 1973 the pulp and paper companies tripled their profits over 1972 for an increase of some \$320 million. In 1974 they doubled their profits again to some \$685 million. In the years 1973 to 1975 the same companies increased the price of a ton of newsprint by some 52 per cent and of bleached kraft pulp by 118 per cent. However, in the same period, 1973 to 1975, pulp and paper workers lost \$1.25 an hour in real wages due to inflation.

When bargaining started last spring the union asked for \$2 per hour wage increase plus a cost of living allowance. Of that \$2 wage demand, \$1.25 was to make up for money lost due to inflation and 75 cents for their share of increased productivity and profitability of these companies during those bonanza years.

The CPU has reached settlement with Irving Pulp and Paper Company in New Brunswick without a strike. They settled for \$1.04 increase in the first year of a two year contract plus a cost of living allowance clause. It is interesting to note that woodlands workers previously got an increase of \$1.10 in the first year.

I have just learned that tonight the Anti-Inflation Board turned down the Irving settlement with the CPU. In other